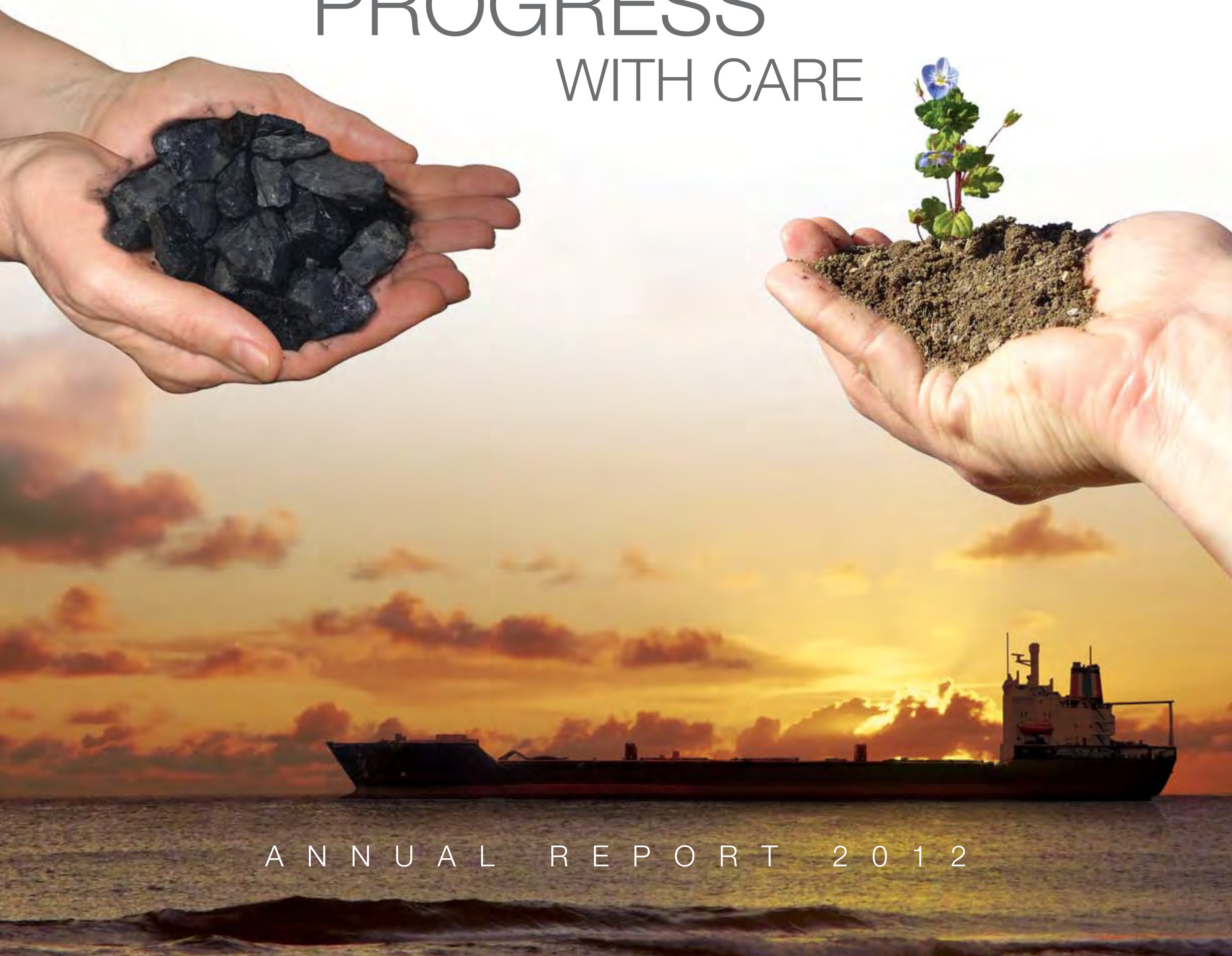
Pakistan International Bulk Terminal Limited

PROGRESS WITH CARE



ANNUAL REPORT 2012

PIBT-IUCN Sponsored Mangrove Replantation Site
Opposite PIBT Jetty

Contents

PIBT-IUCN Sponsored Mangrove Nursery
Adjacent PIBT Terminal Storage Area

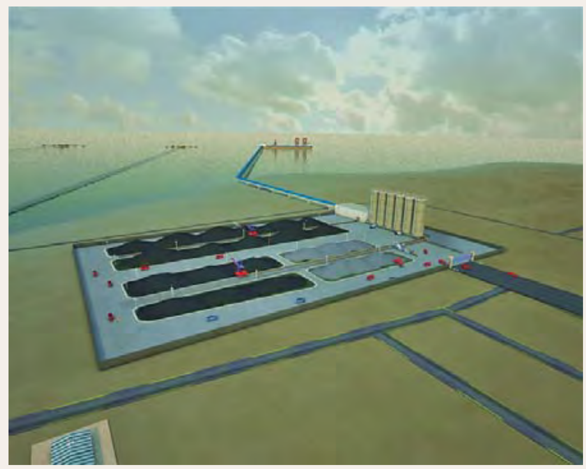
Vision

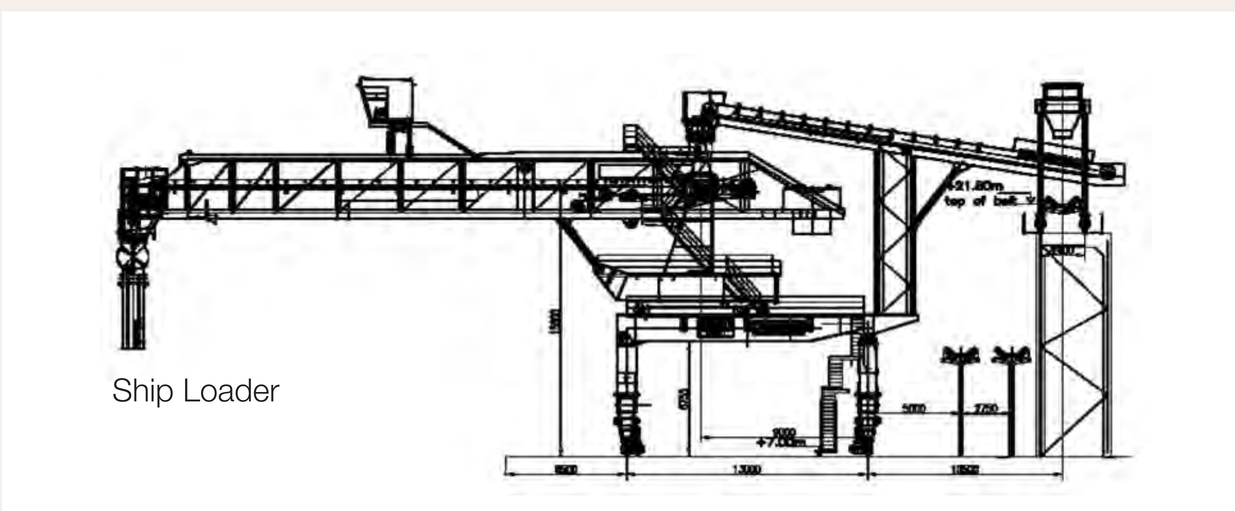
To develop modern infrastructure in Pakistan to handle bulk coal, clinker & cement at international standards of efficiency and at the best global environmental practices.

Mission

To successfully set-up the country's first state-of-the-art dirty bulk terminal at Port Qasim and to provide mechanized bulk cargo handling services to the trade and industry on the best global standards.


Artist Image of PIBT Jetty


Artist Image of PIBT Terminal Storage Area



Technical Drawing

The Project

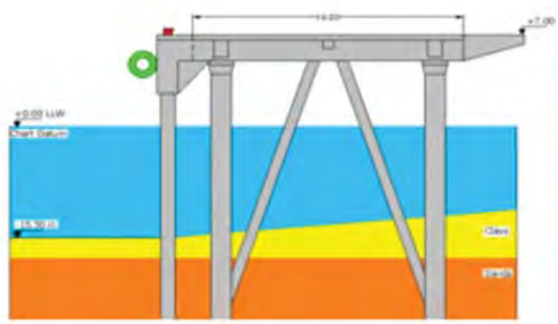
PIBT is the terminal operating company which has entered into an implementation Agreement with Port Qasim Authority to establish a modern Coal, Clinker & Cement bulk handling facility at Port Qasim on BOT basis.

PIBT has awarded the civil works to the Contractor's JV consortium of M/s Siyahkalem Engineering Construction (a Turkish Company) and M/s Maqbool Associates at a cost of Rs.6.7 billion. The total cost of the Project is about US$ 185 Million.

The project is on a 30 year Built, Operate and Transfer concession from the Port Qasim Authority.

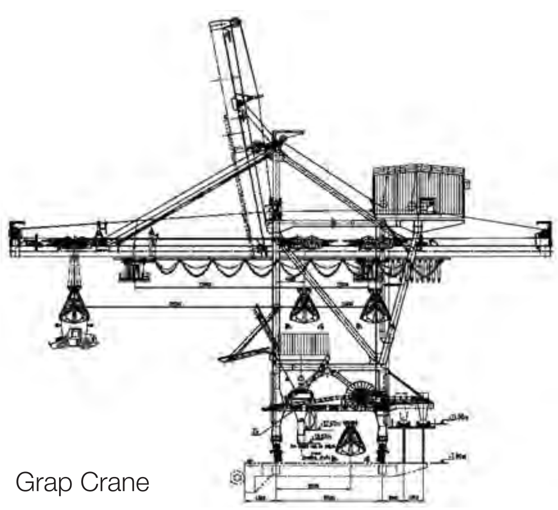
Corporate Objectives

- To develop the bulk terminal as a modern state-of-the-art handling facility.
- To contribute towards enhancing the country's port infrastructure for handling bulk cargoes of coal, cement and clinker up to 8 million tons a year.
- To operate the terminal at best international standards of efficiency.
- To commit contributing towards planting mangroves in Port Qasim area on 500 hectares (over a 1,000 acres at Port Qasim).
- To develop and introduce innovative new methods of dirty bulk cargo logistics in Pakistan for the benefit of the country's trade and industry.
- To adopt the best global standards of Health, Safety & Environment.

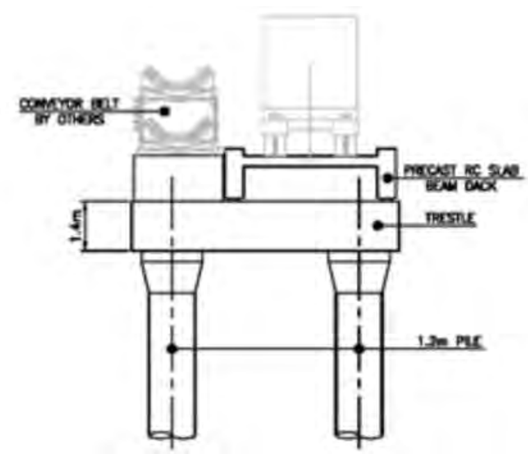


Jetty

Storage Yard



Grap Crane



Approach Trestle & Causeway

Technical Drawings of the Project

Development Strategy

- To reclaim and undertake civil works on 25 hectares of storage area at Port Qasim.
- To construct a 2.5 km trestle carrying conveyor belt, which connects the Storage Area to the Jetty.
- To construct a two berths operational jetty connected via a trestle bridge to the back up Storage Area.
- To import modern mechanized coal, clinker and cement handling equipment at the terminal.
- To set up 50,000 tons capacity of cement silos.
- To set up an indigenous Power Plant.
- To establish common-user terminal handling facilities for providing port infrastructure to the cement firms for exporting loose bulk cement and clinker.
- To establish port facilities for enhanced coal imports in the country for potential use by power plants and for the present use of the cement industry.

Entrance to PIBT Office

Company Information

Board of Directors

Chairman
Capt. Haleem A. Siddiqui

Chief Executive Officer
Mr. Sharique Azim Siddiqui

Directors
Mr. Aasim Azim Siddiqui
Capt. Zafar Iqbal Awan
Syed Nizam A. Shah
Mr. Ali Raza Siddiqui
Mr. M. Masood Ahmed Usmani, FCA

Chief Financial Officer
Mr. Arsalan I. Khan, ACA

Company Secretary
Mr. Mohammad Atiq, ACIS

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
6th Floor, Progressive Plaza,
Beaumont Road,
P.O. Box 15541, Karachi-75530

Legal Advisors

Kabraji & Talibuddin
64-A/1, Gulshan-e-Faisal,
Bath Island, Karachi.

The Continental Law Associates
Panorama Centre, Saddar, Karachi.

Bankers

Faysal Bank Limited
National Bank of Pakistan

Registered & Head Office

2nd Floor, Business Plaza,
Mumtaz Hassan Road,
Karachi-74000 Pakistan.
Tel. 92-21-32400450-3
Fax. 92-21-32400281

Registrar / Transfer Agent

Technology Trade (Pvt.) Ltd.
241-C, Block-2, P.E.C.H.S.,
Karachi.
Tel: 92-21-34391316-7

Board Meeting in Progress

Board of Directors


Capt. Haleem A. Siddiqui
Chairman


Sharique A. Siddiqui
Chief Executive


Aasim A. Siddiqui
Director


Capt. Zafar Iqbal Awan
Director


Nizam A. Shah
Director


Ali Raza Siddiqui
Director


Masood Ahmed Usmani
Director


Arsalan I. Khan
Chief Financial Officer


Mohammad Atiq
Company Secretary

Notice of the 3rd Annual General Meeting

Notice is hereby given that the 3rd Annual General Meeting of Pakistan International Bulk Terminal Limited will be held at Beach Luxury Hotel, Karachi, on October 25, 2012 at 01:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 2nd Annual General Meeting of the Company held on November 30, 2011.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2012 together with Auditors` and Directors` Reports thereon.

3. To appoint Auditors of the Company for the financial year ending June 30, 2013 and to fix their remuneration. The present auditors, being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS:

4. To approve an increase in the authorized capital of the Company from Rs. 2 Billion to Rs. 15 Billion and in this connection to pass the following resolution as and by way of Special Resolution, namely:

   RESOLVED THAT the Authorised Capital of the Company be and hereby increased from Rs.2,000,000,000/- (Rupees Two Billion Only) to Rs. 15,000,000,000/- (Rupees Fifteen Billion Only) divided into 1,500,000,000 Ordinary Shares of Rs. 10/- (Rupees Ten Only) each; such new shares to rank pari passu in all respects with the existing ordinary shares in the capital of the Company.

   FURTHER RESOLVED THAT the Memorandum & Articles of Association be and are altered by substituting the clauses as follows:

   a) Existing clause V of the Memorandum of Association of the Company be and is hereby substituted with:

      “V. The Authorised Share Capital of the Company is Rs. 15,000,000,000/- (Rupees Fifteen Billion Only) divided into 1,500,000,000 Ordinary Shares of Rs. 10/- (Rupees Ten Only) each; with powers to increase or reduce the capital and to consolidate or sub-divide the shares and issue shares of different kinds or classes therein of higher or lower denominations in such manner as may for the time being authorised by the regulations of the Company and subject to applicable law.”

   b) Existing clause 5 of the Articles of Association of the Company be and is hereby substituted with:

      “5. The Authorised Share Capital of the Company is Rs. 15,000,000,000/- (Rupees Seventeen Billion Only) divided into 1,500,000,000 Ordinary Shares of Rs. 10/- (Rupees Ten Only) each”

5. To transact any other business with the permission of the Chair.

The statement under Section 160(1) (b) of the Companies Ordinance, 1984 relating to the special business is annexed with this notice to the members.

By order of the Board

Mohammad Atiq
Company Secretary

Karachi: October 04, 2012

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning "Special Business" to be transacted at the 3rd Annual General Meeting of the Company to be held on October 25, 2012.

The approval of the members will be sought for:

Item 4 of the Agenda:

The Company presently has an Authorized Capital of Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into 200,000,000 Ordinary Shares of Rs. 10/- (Rupees Ten Only) each.

In order to facilitate future increases in the paid up capital, the Board of Directors of the Company have recommended that the Authorised Capital of the Company be raised to Rs. 15,000,000,000/- (Rupees Fifteen Billion Only) divided into 1,500,000,000 ordinary shares of Rs. 10/- (Rupees Ten Only) each.

For the purpose, the Board of Directors have also recommended that the resolution set forth at item 4 under the heading of special business of the notice of 3rd Annual General Meeting of the Company be passed as a special resolution. That the resolution increases the Authorised Capital in the manner stated above and makes the required consequential changes in the Clause V of the Memorandum and Clause 5 of the Articles of Association of the Company.

The Directors of the Company have no interest in the special business and/or special resolution, save to the extent of their shareholding in the Company.

NOTES:

1. The Share Transfer Books of the Company will be closed and no transfer will be accepted for registration from October 18, 2012 to October 25, 2012 (both days inclusive).

2. A Member of the Company, entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Annual General Meeting as are available to the Member. Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The proxy need not be a Member of the Company. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.

3. In case of corporate entity, the Board of Directors'/Trustees' resolution/power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.

4. Members are requested to notify any change in their addresses immediately to our Registrar Technology Trade (Pvt.) Ltd., 241-C, P.E.C.H.S., Block 2, Karachi.

5. Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to our Registrar at the above address at the earliest.

6. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC), or original passport at the time of attending the meeting. CDC account holders are also requested to bring their CDC participant ID number and account number.

ii. In case of corporate entity, the Board of Directors'/Trustees' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement (note 2 above).

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors'/Trustees' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) alongwith proxy form to the Company.

Chairman's Review

Bismillah hir Rahman nir Raheem

The construction of the project is currently under progress and is in line with the construction schedule projected by the company. I am pleased with the efforts made by the management in monitoring the activities of the project construction. All this has been possible by the Grace of God with the full dedication of our team of professionals.

Our priority is to add shareholder value in this company and PIBT will Inshallah be the country's first Coal, Clinker and Cement handling terminal facility. Our objective is to build the port infrastructure of Pakistan so that the ports can offer modern handling services to the trade of the country. I am hopeful that PIBT will achieve this mission and will become a pioneer state-of-the-art terminal to handle dirty bulk cargoes at international standards of productivity.

On behalf of PIBT, I would like to thank the management of Port Qasim Authority, Our Lenders - International Finance Corporation; OPEC Fund for International Development; Syndicate of Local Pakistani Commercial Banks, our vendors and our valued shareholders.

Our objective remains to build the first Pakistani-owned fully mechanized state of the art bulk cargo handling terminal in the country and to successfully operate at international norms of productivity and service, and to be second to none.

Capt. Haleem A. Siddiqui
Chairman
Karachi: September 10, 2012

Board Members

Directors' Report

Bismillah hir Rahman nir Raheem

The Directors have pleasure in presenting the Annual Report of Pakistan International Bulk Terminal Limited (PIBT) together with the audited Financial Statements of the Company for the year ended June 30, 2012. The company has a Built Operate and Transfer (BOT) contract with Port Qasim Authority (PQA) for the construction, development, operations and management of a coal and clinker/cement terminal at Port Mohammad Bin Qasim for a period of thirty years.

During the year Company was converted from Private Limited Company to Unlisted Public Limited Company and process has been initiated for the listing of the company's shares at Karachi Stock Exchange (KSE).

The company is in construction phase and has not commenced its operations.

Financial Performance

During the year, the Company has earned other income of Rs. 10,237,422/- (June 2011: Rs. 7,667,473/-) which comprises the interest income on the deposits held with the Commercial Bank. The company has posted a loss before taxation amounting to Rs. 10,364,473/- against a profit of Rs. 7,340,955/- during the previous year.

Net Loss after tax is Rs. 6,680,888/- in comparison with the profit of Rs. 8,165,642/-during the previous year.

Financial Results

These are summarized below:

	Rupees
Loss before taxation	(10,364,473)
Taxation	3,683,585
Loss after tax	(6,680,888)
Un-appropriated loss brought forward	(2,017,358)
Un-appropriated loss carried forward	(8,698,246)
EPS- Basic	(0.12)

During the year, the company has further issued 12,076,576 ordinary shares of Rs 10/- each, to Pakistan International Container Terminal Limited, increasing the total share capital of the company to 54,576,583 ordinary shares of Rs. 10/- each.

The Board of Directors of Pakistan International Container Terminal Limited (PICT) in its meeting held on July 11, 2011 proposed to distribute 54,576,576 million ordinary shares of the company having face value of Rs 10/- each, to the shareholders of the PICT as 'specie dividend' in the ratio of 1:2, i.e. one ordinary share of the company for every two ordinary shares held of the existing issued, subscribed and paid up capital of PICT. The shareholders of PICT have approved the said distribution at their Extra Ordinary General Meeting (EOGM) held on August 3, 2011 thereby resulting in ceasing of PICT's equity holding in the company. Physical shares were dispatched to the shareholders of the company. The company application to CDC for its shares to be available in electronic form has been considered and now PIBT is an eligible security under the Central Depository System.

During the year Five meetings of the Board of Directors were held. Attendance by the Directors was as follows:

1.	Capt. Haleem Ahmed Siddiqui	5
2.	Mr. Sharique Azim Siddiqui	5
3.	Mr. Aasim Azim Siddiqui	5
4.	Capt. Zafar Iqbal Awan	5
5.	Syed Nizam A. Shah	4
6.	Mr. Ali Raza Siddiqui	5
7.	Mr. M. Masood Ahmed Usmani	5

Project Brief

Following is the brief on the progress made so far in implementing the Bulk Terminal Project of the Company (the “Project”) and the milestones achieved so far in this regard.

1. The Bulk Terminal Project was approved by the Economic Co-ordination Committee of the Federal cabinet of Government of Pakistan. Accordingly, the Port Qasim Authority granted 30 years' concession rights and license to the company to build and operate the Bulk Terminal at Port Qasim. The implementation agreement was signed with Port Qasim Authority on 6 November 2010. The project is being implemented strictly in accordance with the project execution guidelines which are part of the Implementation Agreement. The same is monitored and reviewed by the Port Qasim Authority through their consultant, M/s National Engineering Services of Pakistan (Pvt.) Limited (“NESPAK”) on regular basis. The civil infrastructure would be available for the erection of the equipment by 2014 while the Project would become operational by January 2015.

2. The total cost of the Project is USD 185 million which will be financed by equity of USD 95 million and debt component of USD 90 million;

3. The equity contribution of local sponsors will be USD 76 million and International Finance Corporation, Washington, DC (“IFC') will be subscribing the balance equity of USD 19.0 million;

4. The debt component will be financed by IFC to the extent of USD 26.5 million, by OPEC Fund for International Development (“OFID”) for USD 20.0 million and local loans of USD 43.5 million;

5. Local sponsors have already provided equity of Rs. 1.246 billion - Rs. 545.765 million as paid up share capital in form of Specie dividend and Rs. 700 million as Deposit against issue of Right Shares. The balance equity will be raised by the issue of right shares to the existing shareholders.

6. IFC has signed Equity Subscription Agreement of USD 19 million with the Company on 07 June 2012, shares by IFC will be subscribed after adhering to all the local laws and regulations in this regard;

7. For the debt component, IFC Loan Agreement for USD 26.5 million was signed on 28 June 2012; OFID Loan Agreement for USD 20.0 million was signed on 12 July 2012. Local currency loans of Rs. 4.3billion (equivalent to USD 43.5 Million) have also been arranged from the local Pakistani banks under the lead of Faysal Bank Limited.

8. The land measuring 62 acres for the Project has been acquired from Port Qasim Authority and indenture of lease has been registered on 13 January 2012 with the Sub-Registrar, Bin Qasim Town, Karachi;

9. The contract for civil works valuing USD 77.0 million equivalent has been awarded on 15 March 2012 to a joint venture consortium comprising of Turkish firm M/s Siyahkalem Engineering Construction Industry & Trade Company Limited and a local partner M/s Maqbool Associates (Private) Limited. The Turkish firm has a vast experience in the construction industry and is a part of those projects in Pakistan that are jointly funded by the Turkish Government. First payment of mobilization advance amounted to Rs. 670 million has already been made to the contractors. Currently the civil works has been initiated on the Site;

Mangroves at Port Qasim

10. Ground breaking of the Project was done on 17 May 2012;

11. To assist the Company in procurement process of the plant and equipment, M/s Hamburg Port Consultancy ("HPC"), Germany has been appointed as consultants. They are in the process of preparing international tender documents, which are expected to be floated in September 2012. Letter of credit for machinery will be established in July 2013 and shipment of the machinery is expected in July-September 2014;

12. No objection certificate has been received from Naval Headquarters for the setting up of the Project at Port Qasim;

13. No objection certificate has received from Sindh Environmental Protection Agency (SEPA) for the setting up of the project at Port Qasim

14. As part of its Corporate Social Responsibility Program, the company has also signed an agreement with International Union for the Conservation of Nature ("IUCN") for the plantation of mangroves on a total area of 500 hectares in the Port Qasim area. So far, IUCN has planted mangroves over 18 hectares in a protective fashion (cluster/liner) at selected areas near PIBT Terminal Area in Korangi Creek and Kaderio Creek (opposite to the PIBT Jetty area).

15. PIBT has developed an Environmental Management Plan (EMP) in compliance with applicable laws & regulations of Pakistan, IFC's performance standards and World Bank Group Environment Health & Safety Guidelines.

    Key aspects of the EMP are:
    - Dust emission control
    - Noise pollution control
    - Waster Water
    - Solid waste Management
    - Dredge material disposal management
    - Biodiversity conservation & sustainable natural resource management

16. The company has declared the achievement of "Date of Effectiveness" of the Implementation Agreement signed with Port Qasim Authority (PQA) on May 6, 2012.

In the end Board of Directors of the company would like to reiterate their commitment to build the Coal, Cement and Clinker Terminal under PIBT as Pakistan's first state-of-the-art mechanized bulk cargo handling terminal compliant with international standards of excellence which will curtail environment pollution and modernize the port infrastructure of the country.

For and on behalf of Board of Directors

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: September 10, 2012

Project Events

Public Hearing - Environmental Impact Assessment

First Pre-Bid Meeting Civil Works Contract

EPC Contract - Bid Opening

Signing of Civil Works Contract

Signing of Civil Works Contract












Signing of Civil Works Contract











Ground Breaking at the Project Site












Ground Breaking at the Project Site












PIBT-IUCN Mangroves Plantation Drive

Sponsored Mangrove Nursery Adjacent PIBT Terminal Storage Area

PIBT-IUCN Mangroves Plantation Drive

Sponsored Mangrove Nursery Adjacent PIBT Terminal Storage Area

PIBT-IUCN Mangroves Plantation Drive

Mangrove Replantation Site Opposite PIBT Jetty

PIBT-IUCN Mangroves Plantation Drive

Mangrove Replantation Site Opposite PIBT Jetty

PIBT-IUCN Mangroves Plantation Drive

Mangrove Replantation Site Opposite PIBT Jetty

PIBT-IFC Investment Agreement Signing Ceremony

Project Events

Construction Activity at the Site







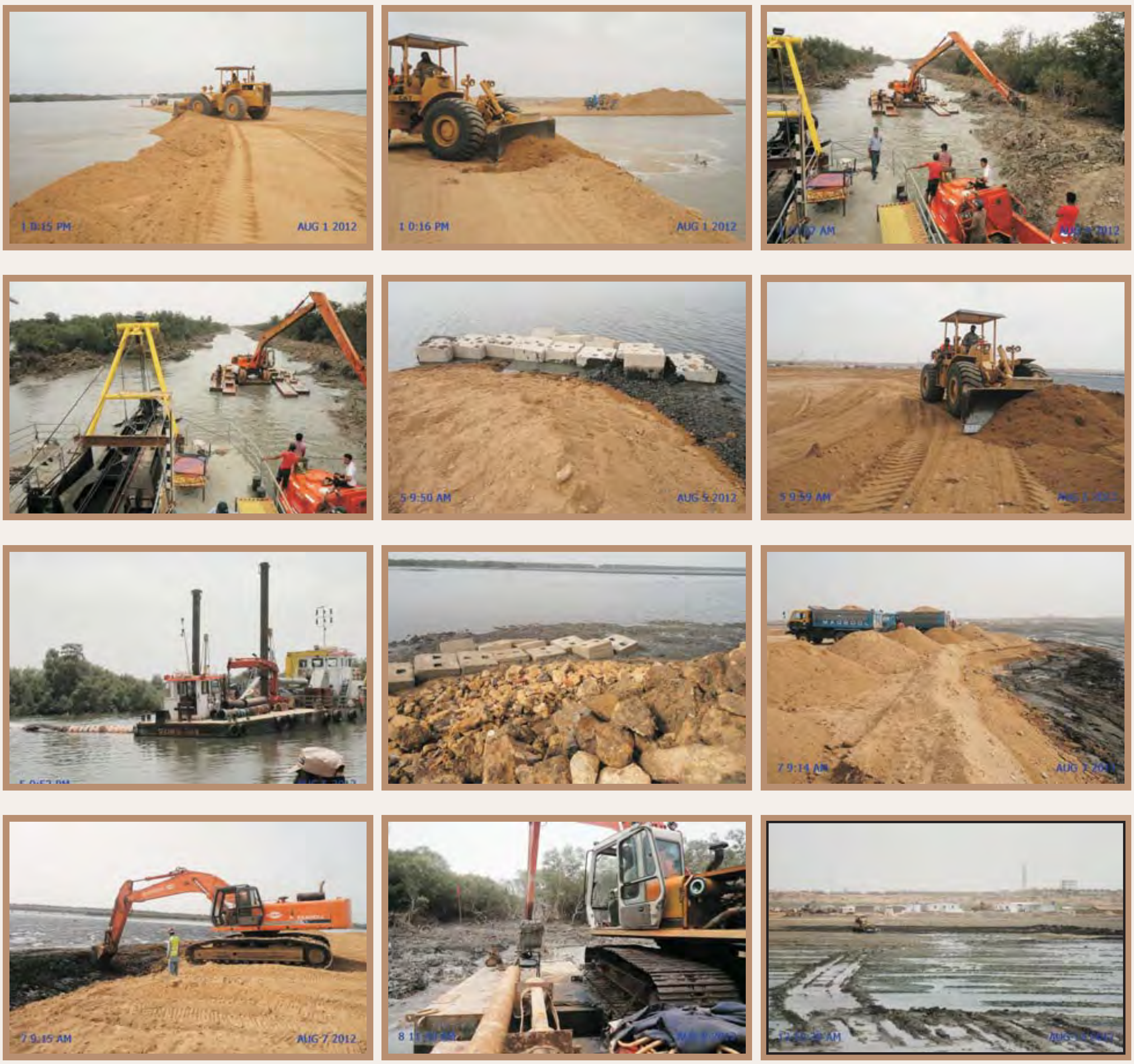





Construction Activity at the Site

Construction Activity at the Site

Construction Activity at the Site



Construction Activity at the Site

Construction Activity at the Site









Construction Activity at the Site












Terminal Site Visit









SEPA - Site Visit









Basic Fire Fighting Training at Site







Financial Statements

Auditors' Report to the Members

We have audited the annexed balance sheet of PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED (the Company) as at 30 June 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for changes as stated in note 2.3 to the accompanying financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2012 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi: September 10, 2012

Ernst & Young Ford Rhodes Sidat Hyder
CHARTERED ACCOUNTANTS
Audit Engagement Partner: Riaz A. Rehman Chamdia

Balance Sheet
As at June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	873,296,496	403,447,958
Intangible assets	5	318,438,624	-
Deferred tax	6	10,764,712	3,625,711
		1,202,499,832	407,073,669
CURRENT ASSETS			
Deposits and prepayments		-	1,000,000
Taxation - net		109,957	-
Cash and bank balances	7	44,439,645	16,496,919
		44,549,602	17,496,919
TOTAL ASSETS		1,247,049,434	424,570,588
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 Ordinary shares of Rs. 10/- each		2,000,000,000	2,000,000,000
Share capital			
54,576,583 Ordinary shares of Rs. 10/- each fully paid in cash	8	545,765,830	425,000,070
Accumulated loss		(8,698,246)	(2,017,358)
		537,067,584	422,982,712
NON-CURRENT LIABILITIES			
Advance against future issue of share capital	16	700,000,000	-
CURRENT LIABILITIES			
Trade and other payables	9	9,981,850	1,574,505
Taxation - net		-	13,371
		9,981,850	1,587,876
COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		1,247,049,434	424,570,588

The annexed notes from 1 to 19 form an integral part of these financial statements.

Sharique Azim Siddiqui
CHIEF EXECUTIVE

Capt. Zafar Iqbal Awan
DIRECTOR

Profit and Loss Account

For the year ended June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
Administrative expenses	11	(20,397,147)	(176,175)
Other charges - worker's welfare fund		(204,748)	(150,343)
Other income	12	10,237,422	7,667,473
(Loss) / profit before taxation		(10,364,473)	7,340,955
Taxation	13	3,683,585	824,687
(Loss) / profit after taxation		(6,680,888)	8,165,642

The annexed notes from 1 to 19 form an integral part of these financial statements.

Sharique Azim Siddiqui
CHIEF EXECUTIVE

Capt. Zafar Iqbal Awan
DIRECTOR

Statement of Comprehensive Income

For the year ended June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
(Loss) / profit for the year		(6,680,888)	8,165,642
Other comprehensive income - net of taxation		-	-
Total comprehensive income for the year		(6,680,888)	8,165,642

The annexed notes from 1 to 19 form an integral part of these financial statements.

Sharique Azim Siddiqui
CHIEF EXECUTIVE

Capt. Zafar Iqbal Awan
DIRECTOR

Cash Flow Statement

For the year ended June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(10,364,473)	7,340,955
Adjustments for non-cash items			
Depreciation		475,626	-
Amortization		18,408	-
		494,034	-
Operating (loss) / profit before working capital changes		(9,870,439)	7,340,955
Decrease / (increase) in current assets			
Deposits and prepayments		1,000,000	(1,000,000)
Increase / (decrease) in current liabilities			
Trade and other payables		8,407,345	(8,608,495)
Cash used in operating activities		(463,094)	(2,267,540)
Taxes paid		(3,578,744)	(2,787,653)
Net cash used in operating activities		(4,041,838)	(5,055,193)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,143,199)	-
Purchase of intangible assets		(13,847,800)	-
Additions to capital work in progress - net		(764,790,197)	(403,447,958)
Net cash used in investing activities		(788,781,196)	(403,447,958)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		120,765,760	425,000,000
Advance against future issue of shares		700,000,000	-
Net cash generated from financing activities		820,765,760	425,000,000
Net increase in cash and cash equivalents		27,942,726	16,496,849
Cash and cash equivalents at the beginning of the year		16,496,919	70
Cash and cash equivalents at the end of the year	7	44,439,645	16,496,919

The annexed notes from 1 to 19 form an integral part of these financial statements.

Sharique Azim Siddiqui
CHIEF EXECUTIVE

Capt. Zafar Iqbal Awan
DIRECTOR

Statement of Changes in Equity

For the year ended June 30, 2012

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	(Rupees)		
Balance as at July 1, 2010	70	(10,183,000)	(10,182,930)
Profit for the year	-	8,165,642	8,165,642
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	8,165,642	8,165,642
Shares issued during the year	425,000,000	-	425,000,000
Balance as at June 30, 2011	425,000,070	(2,017,358)	422,982,712
Balance as at July 1, 2011	425,000,070	(2,017,358)	422,982,712
Loss for the year	-	(6,680,888)	(6,680,888)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(6,680,888)	(6,680,888)
Shares issued during the year	120,765,760	-	120,765,760
Balance as at June 30, 2012	545,765,830	(8,698,246)	537,067,584

The annexed notes from 1 to 19 form an integral part of these financial statements.

Sharique Azim Siddiqui
CHIEF EXECUTIVE

Capt. Zafar Iqbal Awan
DIRECTOR

Notes to the Financial Statements

For the year ended June 30, 2012

1. THE COMPANY AND ITS OPERATIONS

1.1 Pakistan International Bulk Terminal Limited (the Company) was incorporated under the Companies Ordinance, 1984 (the Ordinance) on March 22, 2010 as a private limited company. Subsequently, on July 11, 2011, the Company was converted as an unquoted public company limited by shares under the Companies Ordinance, 1984. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The Company is in start-up phase and has not commenced its operations.

1.2 The Company has entered into a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) on November 06, 2010 for the exclusive construction, development, operations and management of a coal and clinker / cement terminal at Port Muhammad Bin Qasim for a period of thirty years which is to commence from the date of completion of construction of terminal or the date after thirty six months from the date of effectiveness, whichever is earlier, where date of effectiveness means 365 days from the date of signing of the contract.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) in pursuance of the Circular No. 24 dated January 16, 2012 has granted waiver, with immediate effect, from the implementation of IFRIC 12 - “Service Concession Arrangements”. However, the SECP made it mandatory to disclose the impact on the results of application of IFRIC-12 (Refer note 18).

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3. New and amended standards and interpretations

The accounting policies adopted in the preparation of these financial statements are consistent with those of previous financial year except as disclosed below:

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 7 - Financial Instruments: Disclosures (Amendment)

IAS 24 - Related Party Disclosures (Revised)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

Issued in May 2010

IFRS 7	-	Financial Instruments: Disclosures Clarification of disclosures
IAS 1	-	Presentation of Financial Statements Clarification of statement of changes in equity
IAS 34	-	Interim Financial Reporting Significant events and transactions
IFRIC 13	-	Customer Loyalty Programmes Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the financial statements.

2.4. Standards, interpretations and amendments to approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards or interpretation			Effective date (annual periods beginning on or after)
IFRS 7	-	Financial Instruments : Disclosures - (Amendments) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	01 January 2013
IAS 1	-	Presentation of Financial Statements - Presentation of items of comprehensive income	01 January 2012
IAS 12	-	Income Taxes (Amendment) - Recovery of Underlying Assets	01 January 2012
IAS 19	-	Employee Benefits -(Amendment)	01 January 2013
IAS 32	-	Offsetting Financial Assets and Financial liabilities - (Amendment)	01 January 2014
IFRIC 20	-	Stripping Costs in the Production Phase of a Surface Mine	01 January 2013

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Notes to the Financial Statements

For the year ended June 30, 2012

Standard			IASB Effective date (annual periods beginning on or after)
IFRS 9	-	Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10	-	Consolidated Financial Statements	01 January 2013
IFRS 11	-	Joint Arrangements	01 January 2013
IFRS 12	-	Disclosure of Interests in Other Entities	01 January 2013
IFRS 13	-	Fair Value Measurement	01 January 2013

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policy

The Securities and Exchange Commission of Pakistan in pursuance of the Circular No. 24 dated January 16, 2012 has granted waiver from the implementation of IFRIC-12 “Service Concession Arrangements”.

Accordingly, the Company has changed its accounting policy to capitalize directly attributable cost of property, plant and equipment in accordance with the requirements of IAS-16 “Property, Plant and Equipment”. Previously, these costs were included in port concession rights as intangible asset in accordance with IFRIC-12 “Service Concession Arrangements”. Had there been no change in accounting policy, the assets classified as capital work-in-progress (Note 4.2) would have been classified in port concession rights as Intangible assets.

Such change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS-8 “Accounting policies, Changes in accounting estimates and Errors”.

3.2 Fixed assets and depreciation

3.2.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in note 4.1 to these financial statements. Depreciation on additions is charged from the month in which the asset is available to use and on disposals up to the month the respective asset was in use. Assets residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account in the period in which they arise.

3.2.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use.

3.3 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Costs incurred on the acquisition of computer software are capitalized and are amortized on straight line basis over their estimated useful life. Amortization is charged in the month in which the asset is put to use at the rates stated in note 5 to these financial statements.

Development expenditure incurred on the project is capitalized when its future recoverability can reasonably be regarded as assured. These are amortized over their useful life on straight line basis commencing from the date of completion of the project, on a monthly pro-rata basis.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

Notes to the Financial Statements

For the year ended June 30, 2012

The carrying value of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that the carrying value may not be recoverable.

3.4 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.5 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are recognised when the contractual rights under the instruments are derecognised, expired or surrendered. Financial liabilities are derecognised from the balance sheet when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to the profit and loss account.

3.6 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Company has the enforceable legal right to set off the transaction and also intends either to settle on net basis or to realize the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

3.7 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any or on one percent of turnover under Section 113 of the Income Tax Ordinance, 2001 whichever is higher.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services render whether or not billed to the Company.

3.9 Provisions

Provision is recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.10 Related party transactions

All transactions with related parties are carried out by the Company using the methods prescribed under the Ordinance.

3.11 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

	Note	2012 (Rupess)	2011 (Rupess)
4. PROPERTY, PLANT AND EQUIPMENT			
Fixed assets	4.1	10,146,141	-
Capital work-in-progress	4.2	863,150,355	403,447,958
		873,296,496	403,447,958

4.1. The following is a statement of fixed assets:

	2012							
	COST			ACCUMULATED DEPRECIATION				
	As at July 01, 2011	Additions	As at June 30, 2012	As at July 01, 2011	For the year	As at June 30, 2012	Book value as at June 30, 2012	Date rate % per annum
	(Rupees)							
Owned								
Vehicles	-	5,857,165	5,857,165	-	554,129	554,129	5,303,036	20-33.33
Computers	-	1,216,847	1,216,847	-	405,575	405,575	811,272	33.33
Furniture and fixtures	-	4,816,085	4,816,085	-	1,605,201	1,605,201	3,210,884	33.33
Office equipment	-	1,231,362	1,231,362	-	410,413	410,413	820,949	33.33
Total - 2012	-	13,121,459	13,121,459	-	2,975,318	2,975,318	10,146,141	

Notes to the Financial Statements

For the year ended June 30, 2012

4.1.2 Depreciation charge for the year has been allocated as under:

	Note	2012 (Rupess)	2011 (Rupess)
Administrative expenses	11	475,626	-
Capital work-in-progress	4.2	2,499,692	-
		2,975,318	-

4.2 Capital work-in-progress

	Note	2012	2011
Consultancy and survey fees		160,880,354	78,859,361
Advance for PDC and demarcation of land		-	309,517,800
Advance to the EPC contractor	4.2.1	670,054,174	-
Depreciation and amortization	4.1.2 & 5.2	7,558,260	-
Advance for purchase of equipment and software		-	3,128,260
Other ancillary costs	4.2.2	24,657,567	11,942,537
		863,150,355	403,447,958

4.2.1 This represents mobilization advance given against Engineering, Procurement and Construction Contract (The EPC Contract).

4.2.2 These include salaries, wages and benefits, legal and professional charges and other directly attributable costs.

5. INTANGIBLE ASSETS

	2012							
	COST			ACCUMULATED AMORTIZATION				
	As at July 01, 2011	Additions	As at June 30, 2012	As at July 01, 2011	Charge for the year	As at June 30, 2012	Book value as at June 30, 2012	Amontization rate %
	(Rupees)							
Computer software	-	552,300	552,300	-	184,082	184,082	368,218	33.33
Right to use infrastructure facilities	-	322,963,300	322,963,300	-	4,892,894	4,892,894	318,070,406	3.03
2012	-	323,515,600	323,515,600	-	5,076,976	5,076,976	318,438,624	

5.1 This represents Peripheral Development Charges (PDC) of leasehold land paid to PQA as per the BOT contract amounting to Rs. 309 million for the grant of the right to use the site and related facilities for the construction, management and operation of the coal and clinker / cement terminal.

5.2 Amortization charge for the year has been allocated as under:

	Note	2012 (Rupess)	2011 (Rupess)
Administrative expenses	11	18,408	-
Capital work-in-progress	4.2	5,058,568	-
		5,076,976	-

Notes to the Financial Statements

For the year ended June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
6. DEFERRED TAX			
Deductible temporary differences			
- Pre-incorporation expenses		10,764,712	3,625,711
		10,764,712	3,625,711
7. CASH AND BANK BALANCES			
With banks:			
- in current account		5,000	5,000
- in saving account	7.1	43,365,175	16,485,189
- in margin account		1,000,000	-
		44,370,175	16,490,189
Cash in hand		69,470	6,730
		44,439,645	16,496,919

7.1 It carries profit at the rate of 9.25 percent (2011: 11 percent) per annum.

8. SHARE CAPITAL

8.1 Authorised capital

2012	2011		2012	2011
(Number of shares)			(Rupess)	(Rupess)
200,000,000	200,000,000	Ordinary shares of Rs.10/- each	2,000,000,000	2,000,000,000

8.2 Issued, subscribed and paid-up capital

2012	2011		2012	2011
(Number of shares)			(Rupess)	(Rupess)
		Ordinary shares of Rs. 10/- each		
		Fully paid in cash		
42,500,007	7	Opening balance	425,000,070	70
12,076,576	42,500,000	Issued during the year	120,765,760	425,000,000
54,576,583	42,500,007	Closing balance	545,765,830	425,000,070

8.3 On July 11, 2011, the Company issued further 12,076,576 Ordinary shares of Rs.10 each to Pakistan International Container Terminal Limited (PICTL), the holding company at that date. Subsequently, the Board of Directors of PICTL proposed to distribute 54,576,583 Ordinary shares, 100% of the issued, subscribed and paid up capital of the Company having face value of Rs 10 each, to its members as 'specie dividend' in the ratio of 1:2, i.e. one ordinary share of the Company for every two ordinary shares held of the existing issued, subscribed and paid up capital of the holding company at their meeting held on July 11, 2011. As per the listing regulations of the Karachi Stock Exchange Guarantee Limited (KSE), the said distribution was approved by the members of PICTL at the Extra Ordinary General Meeting (EOGM) held on August 3, 2011 thereby resulting in ceasing of PICTL's holding in the Company.

Notes to the Financial Statements

For the year ended June 30, 2012

In pursuance of the requirement of section 25 of the listing regulations, PICTL applied to KSE for the listing of the Company's shares subsequent to the approval of the aforesaid distribution of specie dividend at the EOGM held on August 3, 2011. In relation to that, the KSE, vide its letter no. GEN-3035 dated April 10, 2012, has informed that the Company will be required to fulfill all the requirements of Rule 3(II)(iii)(b) of the Companies (Issue of Capital) Rules, 1996 as per the directive of SECP and shall obtain necessary relaxation from the SECP as required under Listing Regulations No. 6(6). Moreover, since the listing application of the Company has been deferred till fulfillment of the requirements, therefore the time frame under Listing Regulation No. 25 has been extended accordingly.

As per the directive of the SECP, the Company was also required to inform all the shareholders about the abovementioned requirements and the progress of the project alongwith the proposed time frame of the fulfillment of these requirements and this information was also required to be communicated to the SECP and the KSE for its dissemination to all concerned; the Company has done so vide its letter dated July 12, 2012. The management of the Company is actively pursuing this matter and expects that listing of the Company will be done in due course.

	Note	2012 (Rupess)	2011 (Rupess)
9. TRADE AND OTHER PAYABLES			
Withholding tax		-	1,274,162
Accrued liabilities	9.1	9,777,102	150,000
Worker's Welfare Fund		204,748	150,343
		9,981,850	1,574,505

9.1 This includes Rs. 4.865 million (2011: Nil) payable to PQA on account of annual rent charges for the leasehold land.

	Note	2012 (Rupess)	2011 (Rupess)
10. COMMITMENTS			
Letter of Guarantee		214,250,000	214,250,000

10.1 The Company has entered into a loan agreement with International Finance Corporation (IFC) on June 28, 2012 for an amount of USD 26,500,000 for a period of 12 years repayable in 18 semi annually installments commencing from September 15, 2015. This loan carries markup at the rate of 6 months' LIBOR + 5% and will be secured against the project of the Company. The Company has not made any draw down from this loan facility.

Notes to the Financial Statements

For the year ended June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
11. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		829,103	-
Travelling and conveyance		133,283	-
Auditors' remuneration	11.1	498,880	176,175
Legal and professional charges		1,348,150	-
Stamp duty on transfer of shares		10,915,315	-
Office maintenance		33,706	-
Vehicles running expenses		53,672	-
Insurance expense		27,021	-
Communication		31,044	-
Printing and stationery		83,374	-
Utilities		53,541	-
Depreciation	4.1.2	475,626	-
Amortization	5.2	18,408	-
Fees and subscription		1,971,930	-
Entertainment		123,969	-
Rent, rates and taxes		3,796,500	-
Others		3,625	-
		20,397,147	176,175

11.1 Auditors' remuneration

	2012 (Rupess)	2011 (Rupess)
Statutory audit fee	250,000	150,000
Fee for review of half yearly accounts and special assignment	225,000	25,000
Out of pocket expenses	23,880	1, 175
	498,880	176,175

12. OTHER INCOME

	2012 (Rupess)	2011 (Rupess)
Profit on saving account	10,237,422	7,667,473

13. TAXATION

	Note	2012 (Rupess)	2011 (Rupess)
Current		3,511,436	2,801,024
Deferred		(7,139,001)	(3,625,711)
Prior		(56,020)	-
	13.1	(3,683,585)	(824,687)

Notes to the Financial Statements

For the year ended June 30, 2012

	Note	2012 (Rupess)	2011 (Rupess)
13.1 Relationship between tax expense and accounting profit			
(Loss) / profit before tax		(10,364,473)	7,340,955
Tax at the applicable tax rate of 35%		-	2,569,334
Tax effect of expenses that are inadmissible in determining taxable income		-	114,282
Effect of income subject to tax		3,511,436	-
Tax effect due to higher taxation rate		-	117,408
Net effect of income tax provision relating to prior years		(56,020)	-
Tax effect of deductible temporary differences		(7,139,001)	(3,625,711)
		(3,683,585)	(824,687)

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, currency risk, interest rate risk and capital risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

14.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on deposits and bank balances. The Company seeks to minimise the credit risk exposure through having exposure only to customers/ parties considered credit worthy and obtaining securities where applicable.

	2012 (Rupess)	2011 (Rupess)
14.1.1 Cash with Banks		
A1+ / AA	44,370,175	16,490,189

14.2 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

Year ended 30 June 2012		On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
				(Rupees)		
Trade and other payables		9,981,850	-	-	-	9,981,850
	Total	9,981,850	-	-	-	9,981,850

Year ended 30 June 2011		On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
				(Rupees)		
Trade and other payables		1,574,505	-	-	-	1,574,505
	Total	1,574,505	-	-	-	1,574,505

14.3 Currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at June 30, 2012, the Company is not exposed to currency risks in respect of financial assets or financial liabilities.

14.4 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of June 30, 2012 the Company is not exposed to interest rate risk.

14.5 Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2012 the Company is not exposed to equity price risk.

14.6 Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently in start-up phase and its capital risk management position will be developed in the near future.

Notes to the Financial Statements

For the year ended June 30, 2012

14.7 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

15. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2012			2011		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Remuneration (including bonus)	-	-	2,899,996	-	-	800,000
Housing Rent	-	-	732,012	-	-	240,000
Retirement Benefits	-	-	186,596	-	-	66,642
Medical	-	-	243,996	-	-	80,000
Utilities	-	-	243,996	-	-	80,000
Conveyance	-	-	103,125	-	-	26,500
	-	-	4,409,721	-	-	1,293,142
Number	1	6	2	1	6	1

15.1 One of the executives of the Company is also provided with the use of the Company maintained car and medical benefits in accordance with their terms of service.

15.2 The aggregate amount paid to the Directors as a fee for attending the Board of Director's meetings amount to Rs. 340,000 (2011: Rs. 280,000).

16. RELATED PARTY TRANSACTIONS

Related parties comprise of entities which have the ability to control the Company to exercise significant influence over the Company in making financial and operating decisions or vice versa. The related parties comprise principal shareholders and their affiliates' directors, companies with common directors and key management personnel. Balances with related parties have been disclosed in respective notes to the financial statements. Significant transactions with related parties are as follows:

	Note	2012 (Rupess)	2011 (Rupess)
Entities having directors in common with the Company			
Pakistan International Container Terminal Limited			
Share issued	16.1	120,765,760	425,000,000
Premier Mercantile Services (Private) Limited			
Advance against future issue of share capital		700,000,000	-

16.1 As disclosed in note 8.3 to the financial statements, the Company ceased to be a wholly owned subsidiary of PICT w.e.f. August 3, 2011, hence the transaction disclosed above covers a period from July 1, 2011 to August 3, 2011.

17. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Company has entered into a loan agreement with OPEC Fund for International Development (OFID) on July 12, 2012 for an amount of USD 20,000,000 for a period of 12 years repayable in 18 semi annually installments commencing from September 15, 2015. This loan carries markup at the rate of 6 months' LIBOR + 5% and will be secured against the project of the Company.

18. EXEMPTION FROM APPLICABILITY OF IFRIC - 12 "SERVICE CONCESSION ARRANGEMENTS"

As explained in note 2.1, the required mandatory disclosure is as follows:

Under IFRIC-12, the consideration required to be made by operator (the Company) for the right to use the asset is to be accounted for as an intangible asset under IAS - 38 "Intangible Assets". If the Company were to follow IFRIC-12 and IAS-38, the effect on the financial statements would be as follows:

	2012 (Rupess)	2011 (Rupess)
Reclassification from property, plant and equipment to intangible assets (Port Concession Rights)	863,150,355	403,447,958

19. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 10, 2012 by Board of Directors of the Company.

Sharique Azim Siddiqui
CHIEF EXECUTIVE

Capt. Zafar Iqbal Awan
DIRECTOR

Pattern of Shareholding (Ordinary Shares)

As at June 30, 2012

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
916	1	100	31,238
1,130	101	500	390,690
164	50	1000	124,515
161	1001	5000	358,123
19	5001	10000	143,940
32	10001	100000	823,102
13	100001	1000000	3,957,976
2	000001	2000000	3,457,502
4	3000001	4000000	14,517,175
1	11000001	12000000	11,500,000
1	19000001	20000000	19,272,322
2,443			54,576,583

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
INDIVIDUALS	2,374	47,786,465	87.56
INSURANCE COMPANY	5	202,091	0.37
FINANCIAL INSTITUTIONS	2	109,204	0.20
MODARABA AND MUTUAL FUNDS	11	2,890,831	5.30
FOREIGN INVESTORS	6	2,698,653	4.94
OTHERS	45	889,339	1.63
	2,443	54,576,583	100.00

Pattern of Shareholding (Ordinary Shares)

As at June 30, 2012

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
Associated Companies, undertakings and related parties			56.38
Premier Mercantile Services (Pvt.) Ltd.	1	19,272,322	
Jahangir Siddiqui & Co.	1	11,500,000	
NIT and ICP Investment Companies	-	-	
Directors, CEO and their spouse and minor children			21.04
Capt. Haleem A. Siddiqui	1	3,830,272	
Capt. Zafar Iqbal Awan	1	361	
Mrs. Saba Haleem	1	544,674	
Mr. Aasim A. Siddiqui	1	3,560,958	
Mr. Sharique A. Siddiqui	1	3,543,670	
Mr. M. Masood Ahmed Usmani	1	4,537	
Syed Nizam Shah	1	770	
Ali Raza Siddiqui	1	60	
Executives	-	-	
Public Sector Companies and Corporations	-	-	
Banks, DFI's, NBFI's, Insurance Companies, Modarabas and Mutual Funds	29	6,092,957	11.17
Joint Stock Companies, Investment Companies, Foreign Investors and Others	51	3,587,992	6.57
Individuals	2,353	2,638,010	4.84
TOTAL	2,443	54,576,583	100.00

Shareholders holding 10% or more voting interest

Premier Mercantile Services (Pvt.) Ltd.	1	19,272,322
Jahangir Siddiqui & Co.	1	11,500,000

Details of Purchase/Sale of Shares By Directors, CEO, CFO, Company Secretary and their spouses or Minor Children during Year Ended June 30, 2012

Capt. Haleem A. Siddiqui, received 186,860 shares in the form of specie dividend on May 15, 2012 at face value i.e. Rs. 10/- each.

Mr. Sharique A. Siddiqui, purchased 2,859,263 shares on May 15, 2012 at Rs. 10/- each and also received 131,578 shares in the form of specie dividend on May 15, 2012 at face value i.e. Rs. 10/- each.

Mr. Aasim A. Siddiqui, purchased 2,859,263 shares on May 15, 2012 at Rs. 10/- each and also received 131,578 shares in the form of specie dividend on May 15, 2012 at face value i.e. Rs. 10/- each.

Mrs. Saba Haleem, received 210,819 shares in the form of specie dividend on May 15, 2012 at face value i.e. Rs. 10/- each.

Form of Proxy

The Company Secretary
Pakistan International Bulk Terminal Limited
2nd Floor, Business Plaza,
Mumtaz Hassan Road, Karachi

I/We, ______________________________ of ______________________________ being member of Pakistan International Bulk Terminal Limited and holder of ____________________ Ordinary Shares as per Share Register Folio No. __________ and/or CDC Participant I. D. N o. __________ hereby appoint Mr./Mrs./Miss ______________________ of (full address) as my/us proxy to attend, speak and vote for me/us and on my/our behalf at the 3rd Annual General Meeting of the Company to be held on October 25, 2012 and at any adjournment thereof.

Signed this ____________________ day of ______________ 2012

Witnesses:

1. Name ______________________________
   Address ______________________________
   CNIC No. ______________________________
   Signature ______________________________

2. Name ______________________________
   Address ______________________________
   CNIC No. ______________________________
   Signature ______________________________

Signature on Rs. 5/- Revenue Stamp

Notes:

1. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

2. The proxy in order to be valid must be signed across Five Rupees Revenue Stamp and should be deposited with the Company not later than 48 hours before the time of holding the Meeting.

3. The proxy shall authenticate his/her identity by showing his/her original CNIC or original passport and bring folio number at the time of attending the meeting.

4. Signature should agree with the specimen signature registered with the Company.

5. CDC shareholders and their Proxies must attach either an attested photocopy of their Computerized National Identity Card or Passport with this Proxy Form.

6. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney with specimen signature and attested copies of CNIC or Passport of the proxy shall be submitted along with the proxy form.

PROGRESS WITH CARE

PIBT

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Website: www.pibt.com.pk